



**Montana Department of
ENVIRONMENTAL QUALITY**

Brian Schweitzer, Governor

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**ADMINISTRATIVE AMENDMENT
TO MONTANA AIR QUALITY PERMIT**

Date of Mailing: July 3, 2008

Name of Applicant: Knife River Corporation

Source: Portable cement batch plant

Location: Various locations across Montana

Proposed Action: The Department of Environmental Quality (Department) proposes to issue an Administrative Amendment, with conditions, to the above-named permittee. The permit will be assigned #2828-02. The permittee may appeal the Department's decision to the Board of Environmental Review (Board). A request for hearing must be filed by July 18, 2008. This permit shall become final on July 19, 2008, unless the Board orders a stay on the permit.

Proposed Conditions: See attached.

Procedures for Appeal: The permittee may request a hearing before the Board. Any appeal must be filed before the final date stated above. The request for hearing shall contain an affidavit setting forth the grounds for the request. Any hearing will be held under the provisions of the Montana Administrative Procedures Act. Submit requests for hearing in triplicate to: Chairman, Board of Environmental Review, P.O. Box 200901, Helena, Montana 59620.

For the Department,

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Air Permitting Program Supervisor
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VW:cw
Enclosure

AIR QUALITY PERMIT

Issued To: Knife River Corporation
P.O. Box 9
Belgrade, MT 59714

Permit #2828-02
Administrative Amendment (AA)
Request Received: 1/24/08
Department Decision on AA: 7/3/08
Permit Final:
AFS#: 777-2828

A Montana Air Quality Permit (MAQP), with conditions, is hereby granted to Knife River Corporation (Knife River), pursuant to Section 75-2-204 and 211 of the Montana Code Annotated (MCA), as amended, and Administrative Rules of Montana (ARM) 17.8.740, *et seq.*, as amended, for the following:

SECTION I: Permitted Facilities

A. Plant Location

This permit is for a portable cement batch plant and associated equipment to be originally located at SW¹/₄, SW¹/₄, NW¹/₄, Section 13, Township 2 South, Range 5 East, Gallatin County, Montana. However, Permit #2828-02 applies while operating at any location in Montana, except within those areas having a Department of Environmental Quality (Department)-approved permitting program, those areas considered tribal lands, or those areas in or within 10 kilometers (km) of certain particulate matter with an aerodynamic diameter of 10 microns or less (PM₁₀) nonattainment areas. *A Missoula County air quality permit will be required for locations within Missoula County, Montana.* Knife River will be required to obtain an addendum to this air quality permit to operate at locations in or within 10 km of certain PM₁₀ nonattainment areas. A complete list of the permitted equipment is contained in Section I.A of the Permit Analysis.

B. Current Permit Action

On January 24, 2008, the Department received a request to change the permittee name from JTL Group, Inc. to Knife River. The current permit action is an administrative amendment pursuant to ARM 17.8.764 that changes the permittee name as requested. In addition to accounting for this name change, the permit corrects the year of the Fastway cement batch plant to 1992, and updates the rule references, permit format, and emissions inventory.

SECTION II: Limitations and Conditions

A. Emission Control Requirements

1. Knife River shall install, operate, and maintain the fabric filter and all other emission control equipment specified in their application for their MAQP and all supporting documentation (ARM 17.8.752).
 - a. Knife shall install, operate, and maintain the fabric filter on the cement silo.
 - b. Knife River shall maintain the particulate containment boot at their concrete plant as specified in their application for their Montana Air

Quality Permit and all supporting documentation.

2. Knife River shall not cause or authorize the use of any street, road, or parking lot without taking reasonable precautions to control emissions of airborne particulate matter (ARM 17.8.308).
3. Knife River shall treat all unpaved portions of the haul roads, access roads, parking lots, or general plant area with water and/or chemical dust suppressant as necessary to maintain compliance with the reasonable precautions limitation in Section II.A.2 (ARM 17.8.749).
4. Knife River may not cause or authorize to be discharged into the atmosphere from the ready mix plant:
 - a. Any emission from the fabric filter that exhibits greater than 20% opacity averaged over 6 consecutive minutes (ARM 17.8.304).
 - b. Any fugitive emissions from any truck loading or unloading that exhibit greater than 20% opacity averaged over 6 consecutive minutes (ARM 17.8.308).
 - c. Any fugitive emissions from any transferring operations that exhibit greater than 20% opacity averaged over 6 consecutive minutes (ARM 17.8.308).
5. If the permitted equipment is used in conjunction with any other equipment owned or operated by Knife River, at the same site, production shall be limited to correspond with an emission level that does not exceed 250 tons during any rolling 12-month time period. Any calculations used to establish production levels shall be approved by the Department (ARM 17.8.749).

B. Emissions Monitoring

Knife River shall inspect the fabric filters on the cement silo at least every 6 months of operation to ensure that each such collector is operating at optimum efficiency, as recommended by the manufacturer. Records of inspections, repairs, and maintenance shall be kept as a permanent business record for at least 5 years and shall be available at the plant site for inspection by the Department (ARM 17.8.749).

C. Testing Requirements

1. All compliance source tests shall conform to the requirements of the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).
2. The Department may require testing (ARM 17.8.105).

D. Operational Reporting Requirement

1. If this ready mix concrete plant is moved to another location, an Intent to Transfer form must be sent to the Department and a Public Notice Form for Change of Location must be published in a newspaper of general circulation in the area to which the transfer is to be made, at least 15 days prior to the move. The proof of publication (affidavit) of the Public Notice Form for Change of

Location must be submitted to the Department prior to the move. These forms are available from the Department (ARM 17.8.749 and ARM 17.8.765).

2. Knife River shall supply the Department with annual production information for all emission points, as required by the Department in the annual emission inventory request. The request will include, but not be limited to, all sources of emissions identified in the emission inventory contained in the permit analysis.

Production information shall be gathered on a calendar-year basis and submitted to the Department by the date required in the emission inventory request. Information shall be in the units required by the Department. This information may be used for calculating operating fees, based on actual emissions from the facility, and/or to verify compliance with permit limitations (ARM 17.8.505).

3. Knife River shall notify the Department of any construction or improvement project conducted, pursuant to ARM 17.8.745, that would include ***the addition of a new emissions unit***, change in control equipment, stack height, stack diameter, stack flow, stack gas temperature, source location, or fuel specifications, or would result in an increase in source capacity above its permitted operation. The notice must be submitted to the Department, in writing, 10 days prior to startup or use of the proposed de minimis change, or as soon as reasonably practicable in the event of an unanticipated circumstance causing the de minimis change, and must include the information requested in ARM 17.8.745(l)(d) (ARM 17.8.745).

SECTION III: General Conditions

- A. Inspection – Knife River shall allow the Department's representatives access to the source at all reasonable times for the purpose of making inspections or surveys, collecting samples, obtaining data, auditing any monitoring equipment (CEMS, CERMS) or observing any monitoring or testing, and otherwise conducting all necessary functions related to this permit.
- B. Waiver – The permit and all the terms, conditions, and matters stated herein shall be deemed accepted if Knife River fails to appeal as indicated below.
- C. Compliance with Statutes and Regulations – Nothing in this permit shall be construed as relieving Knife River of the responsibility for complying with any applicable federal or Montana statute, rule, or standard, except as specifically provided for in ARM 17.8.740, *et seq.* (ARM 17.8.756)
- D. Enforcement – Violations of limitations, conditions and requirements contained herein may constitute grounds for permit revocation, penalties or other enforcement as specified in Section 75-2-401, *et seq.*, MCA.
- E. Appeals – Any person or persons jointly or severally adversely affected by the Department's decision may request, within 15 days after the Department renders its decision, upon affidavit setting forth the grounds therefore, a hearing before the Board of Environmental Review (Board). A hearing shall be held under the provisions of the Montana Administrative Procedures Act. The filing of a request for a hearing does not stay the Department's decision, unless the Board issues a stay upon receipt of a petition and a finding that a stay is appropriate under Section 75-2-211(11)(b), MCA. The issuance of a stay on a permit by the Board postpones the effective date of the

Department's decision until conclusion of the hearing and issuance of a final decision by the Board. If a stay is not issued by the Board, the Department's decision on the application is final 16 days after the Department's decision is made.

- F. Permit Inspection – As required by ARM 17.8.755, Inspection of Permit, a copy of the air quality permit shall be made available for inspection by Department personnel at the location of the permitted source.
- G. Permit Fee – Pursuant to Section 75-2-220, MCA, as amended by the 1991 Legislature, failure to pay the annual operation fee by Knife River may be grounds for revocation of this permit, as required by that section and rules adopted thereunder by the Board.
- H. Construction Commencement – Construction must begin within 3 years of permit issuance and proceed with due diligence until the project is complete or the permit shall be revoked (ARM 17.8.762).
- I. The Department may modify the conditions of this permit based on local conditions of any future site. These factors may include, but are not limited to, local terrain, meteorological conditions, proximity to residences, etc.
- J. Knife River shall comply with the conditions contained in this permit while operating in any location in Montana, except within those areas that have a Department-approved permitting program.

Permit Analysis
Knife River Corporation
Permit #2828-02

I. Introduction/Process Description

A. Permitted Equipment

Knife River Corporation (Knife River) operates a 1992 Fastway portable cement batch plant rated at 50 cubic yards per hour, and associated equipment. Particulate emissions from the cement silo are controlled by an Ideal Mfg. Inc. baghouse.

B. Process Description

Sand and aggregate material is brought to the batch plant site by truck and is dumped into piles. A loader is used to transport this material from the stockpiles to a weigh hopper. Cement is also brought to the batch plant site by truck and is transported pneumatically from the truck to the cement storage silo. Particulate emissions from the cement silo are controlled by an Ideal Mfg. Inc. natural draft fabric filtering system.

During the batching process, the correct amount of cement, sand, aggregate, and water is metered into a mixer truck. Particulate emissions from loading the mixer truck are controlled by a containment boot.

C. Permit History

On October 17, 1994, D'Agastino Concrete, Inc. was issued **Permit #2828-00** for a portable cement batch plant and associated equipment to be originally located in Bozeman, Montana. The batch plant was established at this location to supply ready mix concrete for the Montana State University engineering building project and steam tunnel project.

On February 13, 2001, JTL Group, Inc. (JTL) and D'Agastino Concrete, Inc. submitted a request to transfer Permit #2828-00 from D'Agastino Concrete Inc. to JTL. In addition to accounting for this name change, the permit updated the rule references and permit format. **Permit #2828-01** replaced Permit #2828-00.

D. Current Permit Action

On January 24, 2008, the Department received a request to change the permittee name from JTL to Knife River. The current permit action is an administrative amendment pursuant to Administrative Rules of Montana (ARM) 17.8.764 that changes the permittee name as requested. In addition to accounting for this name change, the permit corrects the year of the Fastway cement batch plant to 1992, and updates the rule references, permit format, and emissions inventory. Although the potential emissions decreased to below the 15 tons per year (TPY) permitting threshold, Knife River has requested to maintain this permit. **Permit #2828-02** replaces Permit #2828-01.

E. Additional Information

Additional information, such as applicable rules and regulations, Best Available Control Technology (BACT)/Reasonably Available Control Technology (RACT) determinations, air quality impacts, and environmental assessments, is included in the analysis associated with each change to the permit.

II. Applicable Rules and Regulations

The following are partial explanations of some applicable rules and regulations that apply to the facility. The complete rules are stated in the ARM and are available, upon request, from the Department. Upon request, the Department will provide references for location of complete copies of all applicable rules and regulations or copies where appropriate.

A. ARM 17.8, Subchapter 1 – General Provisions, including, but not limited to:

1. ARM 17.8.101 Definitions. This rule includes a list of applicable definitions used in this chapter, unless indicated otherwise in a specific subchapter.
2. ARM 17.8.105 Testing Requirements. Any person or persons responsible for the emission of any air contaminant into the outdoor atmosphere shall, upon written request of the Department, provide the facilities and necessary equipment, and shall conduct tests, emission or ambient, for such periods of time as may be necessary using methods approved by the Department.
3. ARM 17.8.106 Source Testing Protocol. The requirements of this rule apply to any emission source testing conducted by the Department, any source, or other entity as required by any rule in this chapter, or any permit or order issued pursuant to this chapter, or the provisions of the Clean Air Act of Montana, 75-2-101, *et seq.*, Montana Code Annotated (MCA).

Knife River shall comply with the requirements contained in the Montana Source Test Protocol and Procedures Manual, including, but not limited to, using the proper test methods and supplying the required reports. A copy of the Montana Source Test Protocol and Procedures Manual is available from the Department upon request.

4. ARM 17.8.110 Malfunctions. (2) The Department must be notified promptly by telephone whenever a malfunction occurs that can be expected to create emissions in excess of any applicable emission limitation or to continue for a period greater than 4 hours.
5. ARM 17.8.111 Circumvention. (1) No person shall cause or permit the installation or use of any device or any means that, without resulting in reduction of the total amount of air contaminant emitted, conceals or dilutes an emission of air contaminant that would otherwise violate an air pollution control regulation. (2) No equipment that may produce emissions shall be operated or maintained in such a manner as to create a public nuisance.

B. ARM 17.8, Subchapter 2 – Ambient Air Quality, including, but not limited to:

1. ARM 17.8.210 Ambient Air Quality Standards for Sulfur Dioxide
2. ARM 17.8.211 Ambient Air Quality Standards for Nitrogen Dioxide
3. ARM 17.8.212 Ambient Air Quality Standards for Carbon Monoxide
4. ARM 17.8.220 Ambient Air Quality Standard for Settled Particulate Matter
5. ARM 17.8.223 Ambient Air Quality Standard for PM₁₀

Knife River must maintain compliance with the applicable ambient air quality standards.

C. ARM 17.8, Subchapter 3 – Emission Standards, including, but not limited to:

1. ARM 17.8.304 Visible Air Contaminants. This rule requires that no person may cause or authorize emissions to be discharged into the outdoor atmosphere from any source installed after November 23, 1968, that exhibit an opacity of 20% or greater averaged over 6 consecutive minutes.
2. ARM 17.8.308 Particulate Matter, Airborne. This rule requires an opacity limitation of 20% for all fugitive emission sources and that reasonable precautions be taken to control emissions of airborne particulate matter. (2) Under this rule, Knife River shall not cause or authorize the use of any street, road, or parking lot without taking reasonable precautions to control emissions of airborne particulate matter.
3. ARM 17.8.309 Particulate Matter, Fuel Burning Equipment. This rule requires that no person shall cause or authorize to be discharged into the atmosphere particulate matter caused by the combustion of fuel in excess of the amount determined by this section.
4. ARM 17.8.310 Particulate Matter, Industrial Process. This rule requires that no person shall cause or authorize to be discharged into the atmosphere particulate matter in excess of the amount set forth in this section.
5. ARM 17.8.340 Standard of Performance for New Stationary Sources. This rule incorporates, by reference, 40 CFR Part 60, Standards of Performance for New Stationary Sources (NSPS). This facility is not an NSPS-affected source because it does not meet the definition of any NSPS subpart defined in 40 CFR Part 60. 40 CFR 60, Subpart F, Portland Cement Plants does not apply because the truck mix plant does not meet the definition of an affected facility.

D. ARM 17.8, Subchapter 5 – Air Quality Permit Application, Operation and Open Burning Fees, including, but not limited to:

1. ARM 17.8.504 Air Quality Permit Application Fees. This rule requires that an applicant submit an air quality permit application fee concurrent with the submittal of an air quality permit application. A permit application is incomplete until the proper application fee is paid to the Department. Knife River was not required to submit a permit application fee for the current permit action because it is considered an administrative action.
2. ARM 17.8.505 Air Quality Operation Fees. An annual air quality operation fee must, as a condition of continued operation, be submitted to the Department by each source of air contaminants holding an air quality permit, excluding an open

burning permit, issued by the Department; the air quality operation fee is based on the actual or estimated actual amount of air pollutants emitted during the previous calendar year.

An air quality operation fee is separate and distinct from an air quality permit application fee. The annual assessment and collection of the air quality operation fee, described above, shall take place on a calendar-year basis. The Department may insert into any final permit issued after the effective date of these rules, such conditions as may be necessary to require the payment of an air quality operation fee on a calendar-year basis, including provisions that pro-rate the required fee amount.

E. ARM 17.8, Subchapter 7 – Permit, Construction and Operation of Air Contaminant Sources, including, but not limited to:

1. ARM 17.8.740 Definitions. This rule is a list of applicable definitions used in this chapter, unless indicated otherwise in a specific subchapter.
2. ARM 17.8.743 Montana Air Quality Permits--When Required. This rule requires a person to obtain an air quality permit or permit alteration to construct, alter, or use any asphalt plant, crusher or screen that has the potential to emit (PTE) greater than 15 tons per year of any pollutant. Knife River had a PTE greater than 15 TPY of particulate matter (PM); therefore, an air quality permit was previously required.
3. ARM 17.8.744 Montana Air Quality Permits--General Exclusions. This rule identifies the activities that are not subject to the Montana Air Quality Permit program.
4. ARM 17.8.745 Montana Air Quality Permits--Exclusion for De Minimis Changes. This rule identifies the de minimis changes at permitted facilities that do not require a permit under the Montana Air Quality Permit Program.
5. ARM 17.8.748 New or Modified Emitting Units--Permit Application Requirements. (1) This rule requires that a permit application be submitted prior to installation, alteration, or use of a source. A permit application was not required for the current permit action because the permit change is considered an administrative permit change. (7) This rule requires that the applicant notify the public by means of legal publication in a newspaper of general circulation in the area affected by the application for a permit. An affidavit of publication of public notice was not required for the current permit action because the permit change is considered an administrative permit change.
6. ARM 17.8.749 Conditions for Issuance or Denial of Permit. This rule requires that the permits issued by the Department must authorize the construction and operation of the facility or emitting unit subject to the conditions in the permit and the requirements of this subchapter. This rule also requires that the permit must contain any conditions necessary to assure compliance with the Federal Clean Air Act (FCAA), the Clean Air Act of Montana, and rules adopted under those acts.

7. ARM 17.8.752 Emission Control Requirements. This rule requires a source to install the maximum air pollution control capability that is technically practicable and economically feasible, except that BACT shall be utilized. The required BACT analysis is included in Section III of this permit analysis.
8. ARM 17.8.755 Inspection of Permit. This rule requires that air quality permits shall be made available for inspection by the Department at the location of the source.
9. ARM 17.8.756 Compliance with Other Requirements. This rule states that nothing in the permit shall be construed as relieving Knife River of the responsibility for complying with any applicable federal or Montana statute, rule, or standard, except as specifically provided in ARM 17.8.740, *et seq.*
10. ARM 17.8.759 Review of Permit Applications. This rule describes the Department's responsibilities for processing permit applications and making permit decisions on those permit applications that do not require the preparation of an environmental impact statement.
11. ARM 17.8.760 Additional Review of Permit Applications. This rule describes the Department's responsibilities for processing permit applications and making permit decisions on those applications that require an environmental impact statement.
12. ARM 17.8.762 Duration of Permit. An air quality permit shall be valid until revoked or modified, as provided in this subchapter, except that a permit issued prior to construction of a new or altered source may contain a condition providing that the permit will expire unless construction is commenced within the time specified in the permit, which in no event may be less than 1 year after the permit is issued.
13. ARM 17.8.763 Revocation of Permit. An air quality permit may be revoked upon written request of the permittee, or for violations of any requirement of the Clean Air Act of Montana, rules adopted under the Clean Air Act of Montana, the FCAA, rules adopted under the FCAA, or any applicable requirement contained in the Montana State Implementation Plan (SIP).
14. ARM 17.8.764 Administrative Amendment to Permit. An air quality permit may be amended for changes in any applicable rules and standards adopted by the Board of Environmental Review (Board) or changed conditions of operation at a source or stack that do not result in an increase of emissions as a result of those changed conditions. The owner or operator of a facility may not increase the facility's emissions beyond permit limits unless the increase meets the criteria in ARM 17.8.745 for a de minimis change not requiring a permit, or unless the owner or operator applies for and receives another permit in accordance with ARM 17.8.748, ARM 17.8.749, ARM 17.8.752, ARM 17.8.755, and ARM 17.8.756, and with all applicable requirements in ARM Title 17, Chapter 8, Subchapters 8, 9, and 10.
15. ARM 17.8.765 Transfer of Permit. (1) This rule states that an air quality permit may be transferred from one location to another if the Department receives a complete notice of intent to transfer location, the facility will operate in the new

location for less than 1 year, the facility will comply with the FCAA and the Clean Air Act of Montana, and the facility complies with other applicable rules. (2) This rule states that an air quality permit may be transferred from one person to another if written notice of intent to transfer, including the names of the transferor and the transferee, is sent to the Department.

F. ARM 17.8, Subchapter 8 - Prevention of Significant Deterioration of Air Quality, including, but not limited to:

1. ARM 17.8.801 Definitions. This rule is a list of applicable definitions used in this subchapter.
2. ARM 17.8.818 Review of Major Stationary Sources and Major Modifications-- Source Applicability and Exemptions. The requirements contained in ARM 17.8.819 through ARM 17.8.827 shall apply to any major stationary source and any major modification with respect to each pollutant subject to regulation under the Federal Clean Air Act (FCAA) that it would emit, except as this subchapter would otherwise allow.

This facility is not a major stationary source since it is not a listed source and the site's potential to emit is below 250 tons per year of any pollutant (excluding fugitive emissions).

G. ARM 17.8, Subchapter 12 – Operating Permit Program Applicability, including, but not limited to:

1. ARM 17.8.1201 Definitions. (23) Major Source under Section 7412 of the FCAA is defined as any stationary source having:
 - a. PTE > 10 tons/year of any one hazardous air pollutant (HAP), PTE > 25 tons/year of a combination of all HAPs, or lesser quantity as the Department may establish by rule;
 - b. PTE > 100 tons/year of any pollutant; or
 - c. Sources with the PTE > 70 tons/year of particulate matter with an aerodynamic diameter of 10 microns or less (PM₁₀) in a serious PM₁₀ nonattainment area.
2. ARM 17.8.1204 Air Quality Operating Permit Program Applicability. (1) Title V of the FCAA Amendments of 1990 requires that all sources, as defined in ARM 17.8.1204 (1), obtain a Title V Operating Permit. In reviewing and issuing Air Quality Permit #2828-02 for Knife River, the following conclusions were made.
 - a. The facility's PTE is less than 100 tons/year for any pollutant.
 - b. The facility's PTE is less than 10 tons/year for any one HAP and less than 25 tons/year of all HAPs.
 - c. This source is not located in a serious PM₁₀ nonattainment area.
 - d. This facility is not subject to any current NSPS.

- e. This facility is not subject to any current NESHAP standards.
- f. This source is not a Title IV affected source nor a solid waste combustion unit.
- g. This source is not an EPA designated Title V source.

Based on these facts, the Department has determined that Knife River will be a minor source of emissions as defined under Title V.

III. BACT Determination

A BACT determination is required for each new or altered source. Knife River shall install on the new or altered source the maximum air pollution control technology which is technically practicable and economically feasible, except that BACT shall be utilized. A BACT analysis was not required for the current permit action because no new or altered sources are being addressed. The current permit action is considered an administrative action.

IV. Emissions Inventory

	PM	Potential to Emit (Tons/Year)				
		PM ₁₀	NO _x	VOC	CO	SO _x
Sand & Aggregate Handling	5.13	2.52				
Cement Handling	0.13	0.04				
Weigh Hopper Loading of Sand/Aggregate	1.84	0.88				
Truck Mixer Loading of Cement/Sand/Aggregate	3.07	0.88				
SUBTOTAL	10.17	4.32	0.00	0.00	0.00	0.00
Haul Roads	12.68	3.60				
TOTAL	22.85	7.92	0.00	0.00	0.00	0.00

*A complete emissions inventory is on file with the Department.

V. Existing Air Quality and Impacts

This permit is for a portable cement batch plant and associated equipment to be originally located at SW¹/₄, SW¹/₄, NW¹/₄, Section 13, Township 2 South, Range 5 East, Gallatin County, Montana. The current permit action is an administrative action to reflect a change in ownership. Based on the proposed change, there will be no increase in emissions from the facility for this permit action.

VI. Environmental Assessment

This permitting action will not result in an increase of emissions from the facility and is considered an administrative action; therefore, an environmental assessment is not required.

Analysis Prepared by: Christine Weaver
Date: April 9, 2008